puts of the exported goods. CCS is granted as a percentage of FOB value and is restricted to a cut-off point of 25 per cent of value added (FOB realisation after deducting the import content).

CCS at the rate of 15 percent of FOB value is admissible on export of drug and drug intermediates not specified elsewhere excluding the items in the negative list with effect from 1.4.1989.

Advance Licences against Export of Bulk Drugs

2063. SHRI MOHD. KHALILUR RAHMAN: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the Ministry has decided to study the percentage of advance licences allowed at present against the export of bulk drugs and finished 'Medicines' FOB value;

(b) whether it is also a fact that advance licences are being granted for items where our country has attained self-sufficiency and indigenous prices are competitive;

(c) if so, what is the policy of Government in this regard;

(d) whether it is also a fact that our country is losing foreign exchange under the present system; and

(e) if so, what steps are being taken by Government in this regard?

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU): (a) No such proposal is under consideration.

(b) and (c) The Policy underlying the duty exemption scheme is to make available to registered exporters the necessary inputs for export production at international prices without payment of Customs duty so as to make exports competitive in international market. Advance licences are being given even on items where our country has attained self-sufficiency and indigenous prices are competitive. However, efforts are made in individual clearances to delete such imports where the indigenous items are comparable in quality and price.

(d) No, Sir. A minimum value addition of 33 per cent or higher is, in general, a pre-requisite for grant of advance licences. In this manner, the country is gaining foreign exchange equivalent to the value addition.

(e) Does not arise.

RBI Objections to Drawal of Overdrafts by Tripura

2064. SHRI NARAYAN KAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India have raised objection to the repeated drawal of overdrafts by the State Government of Tripura;

(b) if so, on how many occasions the State resorted to overdrafts and for how much amount;

(c) whether such overdrafts were due to the wasteful expenditure by the State Govt.; and

(d) if so. whether the Central Government propose to investigate into the whole matter?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) Under the Overdraft Regulation Scheme, as and when the State went into overdraft, the Reserve Bank of India cautioned the State Government and requested it to take steps to wipe out the overdraft within a period of seven consecutive working days.

(b) During the current financial year 1989-90 (upto 23rd March, 1990), the State Government went into overdraft on 13 occasions and the amount of overdraft varied from a minimum of Rs. 7.00 lakhs to a maximum of Rs. 10.73 crores.